

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2022-054  
November 2021

**GULF COUNTY  
DISTRICT SCHOOL BOARD**



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2020-21 fiscal year, Jim Norton served as Superintendent of the Gulf County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Denny L. McGlon, Vice Chair	1
Brooke Wooten	2
Cindy Belin, Chair	3
Marvin Davis from 11-17-20	4
Ruby S. Knox	5

The team leader was Juan A. Fernandez, CPA, and the audit was supervised by Shelly G. Curti, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at [tedwaller@aud.state.fl.us](mailto:tedwaller@aud.state.fl.us) or by telephone at (850) 412-2887.

This report and other reports prepared by the Auditor General are available at:

[FLAuditor.gov](http://FLAuditor.gov)

Printed copies of our reports may be requested by contacting us at:

**State of Florida Auditor General**

**Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722**

# GULF COUNTY DISTRICT SCHOOL BOARD

## ***SUMMARY***

---

This operational audit of the Gulf County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2020-010. Our operational audit disclosed the following:

**Finding 1:** District school safety policies and procedures need improvement to ensure and demonstrate compliance with State law.

**Finding 2:** The District food service program continued to experience operating losses for the 2018-19 through 2020-21 fiscal years, ranging from \$152,962 to \$313,000 and averaging \$211,470 each year. Although we requested, records were not provided to document District efforts to monitor the food service program with a view toward improving the program's financial condition.

**Finding 3:** The Board did not comply with the provisions of State law requiring the adoption of performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and educational leadership.

**Finding 4:** As of August 2021, the District had not followed a competitive selection process for procuring health insurance since August 2013. A similar finding was noted in our report No. 2020-010.

**Finding 5:** As similarly noted in our report No. 2020-010, District controls over the competitive procurement of custodial services need improvement.

**Finding 6:** The District did not timely comply with State law requiring the District to post on its Web site required graphical representations of summary financial efficiency data and fiscal trend information.

## ***BACKGROUND***

---

The Gulf County School District (District) is part of the State system of public education under the general direction of the Florida Department of Education and is governed by State law and State Board of Education rules. Geographic boundaries of the District correspond with those of Gulf County. The governing body of the District is the Gulf County District School Board (Board), which is composed of five elected members. The elected Superintendent of Schools is the Executive Officer of the Board. During the 2020-21 fiscal year, the District operated four elementary, middle, and high schools; one specialized school; and reported 1,797 unweighted full-time equivalent students.

# FINDINGS AND RECOMMENDATIONS

---

## Finding 1: School Safety

State law<sup>1</sup> requires the Board to formulate and prescribe policies and procedures for emergency drills associated with active shooter and hostage situations, and the drills must be conducted at least as often as other emergency drills. Pursuant to the Florida Fire Prevention Code (Fire Code)<sup>2</sup> and Board policies,<sup>3</sup> fire emergency egress drills must be conducted every month a facility is in session. In addition to emergency drills, for the protection and safety of school personnel, property, students, and visitors, State law<sup>4</sup> requires the Board and Superintendent to partner with local law enforcement agencies to establish or assign one or more safe-school officers, such as school resource officers (SROs), at each school facility. SROs are to be certified law enforcement officers and, among other things, are required to complete mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention.

Our review of District procedures disclosed that each District school principal is required to complete and keep on file an emergency evacuation/safety drill form to document each emergency drill performed. To determine whether, during the 10-month period August 2020 through May 2021, each District school conducted the required emergency drills (10 active shooter and hostage situation emergency drills and 10 fire emergency drills), we requested for examination support for the 80 required emergency drills at four District schools.

We found that District records did not demonstrate the conduct of 12 (30 percent) of the 40 required active shooter and hostage situation emergency drills and 9 (23 percent) of the 40 required fire emergency drills. In response to our inquiries, District personnel indicated that some of the District emergency drills may have been conducted but not documented, while others were not conducted due to oversights or misunderstandings about the drill requirements.

The Board contracted with the Gulf County Sheriff's Office (GCSO) to assign at least one SRO<sup>5</sup> at each District school for 8 hours per day when school was in session. Regarding the contracted SRO services, we noted that:

- Although SROs maintained attendance records at the two high schools, high school personnel did not document verification of the records and attendance of the SROs at the two elementary schools was not documented. The lack of appropriately maintained and verified attendance records occurred because District procedures had not been established to require and ensure that school personnel with direct knowledge of the SRO services confirmed that the services conformed to the contract terms and reconciled to related invoices.
- The GCSO contract did not explicitly provide assurance that the SROs had completed mental health crisis intervention training using a curriculum developed by a national organization with expertise in mental health crisis intervention. Although we requested, District records were not

---

<sup>1</sup> Section 1006.07(4), Florida Statutes.

<sup>2</sup> Section 20.2.4.2.3 of the Florida Fire Prevention Code, 7th Edition (2020).

<sup>3</sup> Board Policy 3.40, *Safe and Secure Schools*.

<sup>4</sup> Section 1006.12, Florida Statutes.

<sup>5</sup> The GCSO provided the District a total of five SROs.

initially provided to evidence verification that the GCSO-assigned SROs received the required mental health crisis intervention training.

In response to our inquiry, District personnel indicated that they relied on the GCSO and school principals to ensure SRO services were received and relied on the GCSO to ensure SROs completed required training. Notwithstanding, such reliance provides limited assurance that the SRO services were received as expected and that the required training was properly completed. Subsequent to our inquiries, District personnel contacted the GCSO and obtained records evidencing the required training for one SRO but did not obtain support for the training of the other four SROs. District personnel indicated that the GCSO plans for the SROs to complete the required training during the 2021-22 fiscal year.

Absent effective procedures to require and ensure monthly active shooter and hostage situation and fire emergency drills are timely conducted; one or more SROs are present during school hours at each school; and SROs complete required mental health crisis intervention training, the District cannot demonstrate compliance with State law or that appropriate measures have been taken to promote student and staff safety.

**Recommendation: The District should enhance procedures to demonstrate compliance with the State school safety laws. Such enhancements should include documented verification that:**

- **For each month school is in session, each District school conduct the required number of active shooter and hostage situation and fire emergency drills.**
- **At least one SRO is present during school hours at each school.**
- **SROs complete the required mental health crisis intervention training.**

## **Finding 2: Financial Condition – Food Service Program**

The District operates a food service program for each District school and provides meals to participating students and staff. The program accounted for in the Special Revenue – Food Service Fund generates revenue from the sale of food and from Federal grants and State supplements. The program's primary operating expenditures include salaries and benefits and purchased food and supplies.

The financial condition of the program is significantly impacted by the prices charged for meals served along with the costs associated with those meals. To properly monitor the financial condition of the program, it is important for the District to specify the program's target fund balance or funding level. During periods of financial condition decline, the District should document the financial decisions that cause operating losses with a view toward reversing the losses and identify the funding sources to subsidize the program if the program is occasionally not self-sufficient. Our examination of District records disclosed that:

- For the 2018-19 through 2020-21 fiscal years, the program experienced operating losses ranging from \$152,962 to \$313,000 and averaging \$211,470 each year. To subsidize program operations and cover the losses each year, the Board approved unrestricted General Fund transfers to the Food Service Fund.

- For the 2020-21 fiscal year, the District's total number of students<sup>6</sup> remained relatively constant. During that period, the total meals served<sup>7</sup> increased while revenues<sup>8</sup> and expenditures<sup>9</sup> both decreased, resulting in an operating loss of \$313,000. As in previous years, the Board subsidized the program and covered the loss by transferring General Fund moneys to the Food Service Fund.

Notwithstanding the Board-approved transfers, although we requested, District records were not provided to document efforts to monitor the program with a view toward improving the program's financial condition.

According to District personnel, the Board had not, as of June 2021, established policies or procedures for specifying the program's target fund balance or funding level, documenting the financial decisions that cause operating losses with a view toward reversing the losses, and identifying the funding sources to subsidize the program when the program is not self-sufficient. In response to our inquiry, District personnel indicated that, to improve the program's financial condition, the District will examine all aspects of the program including analyzing all costs and may reduce full-time staff and replace with part time personnel.

Continued shortages in the food service program will require other resources to fund the program and reduce funds available for the District's other educational programs. A similar finding was noted in our report No. 2020-010.

**Recommendation: Board policies should be established to specify the food service program's target fund balance or funding level, require the financial decisions that cause program operating losses be documented with a view toward reversing the losses, and identify the funding sources to subsidize the program if the program is occasionally not self-sufficient.**

### **Finding 3: Performance Salary Schedule**

State law<sup>10</sup> requires the Board to adopt performance salary schedules that provide annual salary adjustments for school administrators based upon performance determined under State law.<sup>11</sup> State law<sup>12</sup> defines a salary adjustment as an addition to the base salary schedule that is not a bonus and becomes part of the employee's permanent base salary.

According to the Board-approved administrator salary schedules for each of the 2018-19, 2019-20, and 2020-21 fiscal years, administrators who receive a highly effective rating on their most recent evaluation will receive a bonus equal to 5 percent of their base pay. Our examination of District records disclosed that, for each of the 3 fiscal years, District administrators were compensated through bonuses rather than

<sup>6</sup> During the 2020-21 fiscal year, the District had approximately 1,800 total full-time equivalent students.

<sup>7</sup> Total meals served increased by 38,000 meals (25 percent).

<sup>8</sup> Total program revenues decreased by \$147,000 (17 percent). The decrease occurred mainly because the Federal school lunch reimbursement rates for April and May 2020 meals were reimbursed at the higher free meal rate when schools were closed due to the COVID-19 pandemic. During April and May 2021, schools remained open.

<sup>9</sup> Total program expenditures decreased by \$29,000 (3 percent).

<sup>10</sup> Section 1012.22(1)(c)5., Florida Statutes.

<sup>11</sup> Pursuant to Section 1012.34(3)(a)1. and 3., Florida Statutes, school administrator performance must be measured based upon student performance and instructional leadership.

<sup>12</sup> Section 1012.22(1)(c)1.a., Florida Statutes.

annual adjustments. Consequently, the District was not in compliance with the statutory requirement for annual salary adjustments for school administrators.

Table 1 shows the number of school administrator positions, the related compensation and performance bonuses paid for those positions for the 2018-19 through 2020-21 fiscal years.

**Table 1**  
**Number of School Administrator Positions, Related Compensation,**  
**and Performance Pay Bonuses**  
**For the 2018-19 Through 2020-21 Fiscal Years**

Source	2018-19	2019-20	2020-21
Number of School Administrator Positions Compensated	6	6	6
Total School Administrators' Salary Compensation	\$453,657	\$475,679	\$525,839
Total School Administrators' Performance Pay Bonuses	\$23,827	\$24,725	\$26,295

Source: District records.

In response to our inquiries, District personnel indicated that the administrative salary schedule in each of the fiscal years provided for a performance-based bonus equal to 5 percent of the individual's base salary for qualifying administrators who received a highly effective evaluation and they believed that this one-time payment qualified as performance pay for administrators. Notwithstanding this response, the performance-based bonus did not appear to meet the statutory requirement since, rather than becoming part of the employee's permanent base salary, the bonus would only be a one-time payment.

**Recommendation: The Board should comply with State law by adopting performance salary schedules that provide annual salary adjustments for school administrators based upon student performance and instructional leadership.**

#### **Finding 4: Insurance – Competitive Selection**

Pursuant to State law,<sup>13</sup> before entering into any contract for health insurance for District officers and employees, the District must advertise for competitive bids and such contract must be let upon the basis of such bids. State law also authorizes the District to undertake simultaneous negotiations with qualified bidders during the selection process. For health insurance premiums during the 2020-21 fiscal year, the District paid \$1,764,208 and employees paid \$504,417.

According to District records as of August 2021, the District last solicited requests for proposals for health insurance in August 2013, effective for the 2014 calendar year. District records also indicated that insurance needs and related costs have remained relatively constant over the years with the same insurance premium rates for the 2018, 2019, and 2020 calendar years, and decreased rates<sup>14</sup> for 2021.

<sup>13</sup> Section 112.08(2)(a), Florida Statutes.

<sup>14</sup> Rate decreases ranged from \$65 to \$227 per month depending on type coverage (i.e., employee, employee plus spouse, or family) and plan chosen.

In response to our inquiry, District personnel indicated that the District directly negotiated with the existing provider through their agent of record. District personnel also indicated that the existing provider remained the best option due to the lack of availability of local network options from other providers, and each year the Board enters into direct negotiations with the provider. Notwithstanding this response, although we requested, District records were not provided to demonstrate the lack of local network options from other providers. By periodically seeking competitive bids for insurance and negotiating with qualified bidders, the District could demonstrate compliance with State law and gain additional assurance that insurance coverage was obtained at the lowest cost consistent with acceptable quality. A similar finding was noted in our report No. 2020-010.

**Recommendation: As required by State law, the District should use competitive bidding procedures when entering into contracts for health insurance.**

#### **Finding 5: Competitive Procurement – Contracted Services**

State Board of Education (SBE) rules<sup>15</sup> require the District to request competitive solicitations from three or more sources for any authorized purchase or contract for services exceeding \$50,000. SBE rules also provide that, in lieu of requesting competitive solicitations from three or more sources, the District may make purchases at or below the specified prices from contracts awarded by another governmental entity, such as another school district, when the proposer awarded the contract by the other governmental entity permits District purchases at the same terms, conditions, and prices (or below such prices) awarded in the contract, and the purchases are to the District's economic advantage. The Board routinely enters into contracts for services based on the District's, or another school district's, competitive procurement process and District internal controls have been designed to comply with the SBE rule procurement requirements.

As part of our audit procedures, we requested for examination District records supporting payments totaling \$393,312 to the District's custodial service provider for the 2020-21 fiscal year to determine whether the District's contracting process complied with the SBE rule requirements and payments were consistent with contract terms and conditions. According to District records, in June 2018 the Board approved a custodial services contract based on another school district's bid. The contract provided for a set cost of \$32,776 per month for the seven District facilities receiving services and annual renewals through June 2023. The Board renewed the contract annually through June 2021 with no price increases. However, although we requested, District records were not provided to evidence how the District compared their contract price to the other school district's.

The District provided copies of records from the other school district that demonstrated that the other school district used a competitive solicitation process to select the vendor that also contracted with the District. However, unlike the District's set monthly cost of \$32,776, the contract for the other school district specified costs of \$0.0381 to \$0.1848 per square foot for that district's 81 facilities receiving services. In contrast, based on District records, the custodial service costs for District facilities were

---

<sup>15</sup> SBE Rule 6A-1.012, Florida Administrative Code.

\$0.06378 per square foot,<sup>16</sup> which was slightly higher than the lowest per square foot costs obtained by the other school district.

It is important when relying on another governmental entity's competitive negotiation and contract awarding process to, prior to executing the contract, obtain and review the necessary documentation to evaluate the reliability of the other entity's process and to confirm that the District's contract will be based on similar or better conditions and terms than included in the other entity's contract. Without such evaluation, the District cannot demonstrate that using another governmental entity's contract was to the economic advantage of the District. A similar finding was noted in our report No. 2020-010.

**Recommendation: The District should enhance procedures to ensure that custodial service procurements comply with SBE rules and that District records demonstrate such procurements are procured at the lowest price consistent with desired quality.**

### **Finding 6: Fiscal Transparency**

To promote responsible spending, more citizen involvement, and improved accountability, it is important for the District to provide easy access to its budget and related information. Pursuant to State law,<sup>17</sup> the District must post on its Web site certain graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years. Specifically, the District Web site must show fiscal trend information for the previous 3 years on the:

- Ratio of full-time equivalent (FTE) students to FTE instructional personnel.
- Ratio of FTE students to FTE administrative personnel.
- Total operating expenditures per FTE student.
- Total instructional expenditures per FTE student.
- General administrative expenditures as a percentage of total budget.
- Rate of change in the General Fund's ending fund balance not classified as restricted.

The District Web site must also include a link to the Web-based fiscal transparency tool developed by the FDOE pursuant to State law<sup>18</sup> to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school districts. This information must be prominently posted on the District Web site in a manner that is readily accessible.

At the time of our review in May 2021, the District Web site lacked the graphical representations and a link to the Web-based fiscal transparency tool developed by the FDOE. In response to our inquiry, District personnel indicated that, due to an oversight, staff had not posted the links to the District Web site. However, District records did not demonstrate any efforts to create or report the required summary financial efficiency data or fiscal trend information for the previous 3 years.

---

<sup>16</sup> The 2020 Florida Inventory of School Houses Report listed 513,872 square feet for District facilities.

<sup>17</sup> Section 1011.035(2), Florida Statutes.

<sup>18</sup> Section 1010.20(2)(c), Florida Statutes.

Subsequent to initial review, the District posted on the District Web site the link to the FDOE Web-based fiscal transparency tool in June 2021 and, in September 2021, fiscal trend information for the previous 3 years. Providing the required transparency information on the District Web site enhances citizen involvement and the ability to analyze, monitor, and evaluate fiscal outcomes.

**Recommendation:** The District should continue efforts to comply with statutory transparency requirements by timely posting all required information on the District Web site.

## ***PRIOR AUDIT FOLLOW-UP***

---

The District had not taken corrective actions for findings included in our report No. 2020-010, as Findings 2, 4, and 5 were also noted in that report as Findings 1, 2, and 3.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

---

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from March 2021 through September 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected District processes and administrative activities, including, but not limited to, fiscal transparency, school safety, adult general education contact hour reporting, compensation, contractual services, and other expenses. For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2020-010.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to

identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the 2020-21 fiscal year audit period, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Board policies, District procedures, and other guidelines, and interviewed District personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed Board information technology (IT) policies and District procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, network configuration management, system backups, and disaster recovery.
- Evaluated District procedures for maintaining and reviewing employee access to IT data and resources. We examined selected access privileges to District enterprise resource planning system finance and human resources applications to determine the appropriateness and necessity of the access based on employee job duties and user account functions and whether the access prevented the performance of incompatible duties. We also examined the administrator account access privileges granted and procedures for oversight of administrative accounts for the applications to determine whether these accounts had been appropriately assigned and managed.
- Analyzed the District's General Fund total unassigned and assigned fund balances at June 30, 2021, to determine whether the total was less than 3 percent of the fund's revenues, as specified in Section 1011.051, Florida Statutes. We also performed analytical procedures to evaluate the District's ability to make future debt service payments.

- Reviewed District records supporting the fund balance of the Special – Revenue – Food Service Fund and evaluated the financial condition of the Fund.
- Examined the District Web site to determine whether the 2020-21 fiscal year proposed, tentative, and official budgets were prominently posted pursuant to Section 1011.035(2), Florida Statutes. In addition, we determined whether the Web site contained the required graphical representations, for each public school within the District and for the District, of summary financial efficiency data and fiscal trend information for the previous 3 years, and a link to the Web-based fiscal transparency tool developed by the Florida Department of Education (FDOE).
- Examined District records to determine whether the Board had adopted appropriate school safety policies and the District implemented procedures to ensure the health, safety, and welfare of students and compliance with Sections 1006.07, 1006.12, 1006.13, 1011.62(15), and 1012.584, Florida Statutes.
- Examined District records to determine whether the Board had adopted appropriate mental health awareness policies and the District implemented procedures to promote the health, safety, and welfare of students and ensure compliance with Sections 1011.62(16) and 1012.584, Florida Statutes, and State Board of Education (SBE) Rule 6A-1.094124, Florida Administrative Code.
- Reviewed workforce education program funds expenditures totaling \$79,816 for the audit period and examined supporting documentation to determine whether the District used the funds for authorized purposes (i.e., not used to support K-12 programs or District K-12 administrative costs).
- From the population of 1,302 contact hours reported for 35 adult general education instructional students during the audit period, examined District records supporting 775 reported contact hours for 18 selected students to determine whether the District reported the instructional contact hours in accordance with SBE Rule 6A-10.0381, Florida Administrative Code.
- Examined District records to determine whether employee bonuses were paid in accordance with Section 215.425(3), Florida Statutes.
- Examined District records to determine whether the Board adopted a salary schedule with differentiated pay for both instructional personnel and school administrators based on District determined factors, including, but not limited to, additional responsibilities, school demographics, critical shortage areas, and level of job performance difficulties in compliance with Section 1012.22(1)(c)4.b., Florida Statutes.
- Examined District records to determine whether a portion of each school administrators' compensation was based on performance in accordance with Section 1012.22(1)(c)5., Florida Statutes.
- Examined District records supporting teacher salary increase allocation payments totaling \$304,756 to 141 teachers and other qualifying instructional personnel and the required reports submitted to the FDOE (salary distribution plan and expenditure report) to determine whether the District submitted applicable reports to the FDOE and used the funds in compliance with Section 1011.62(18), Florida Statutes.
- Evaluated District procedures for acquiring health insurance to determine compliance with Section 112.08, Florida Statutes.
- Evaluated District procedures over an energy savings contract to determine whether the District complied with Section 1013.23, Florida Statutes.
- Examined District records associated with payments totaling \$393,312 related to the contract for custodial services for the audit period to determine whether the District's contracting process complied with competitive selection requirements in SBE Rule 6A-1.012, Florida Administrative Code.

- From the population of expenditures totaling \$1 million for the 2019-20 fiscal year and \$443,976 for the audit period from State grant and appropriations, examined documentation supporting selected expenditures totaling \$1.4 million to determine District compliance with the restrictions imposed on the use of these resources.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## **AUTHORITY**

---

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each school district on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large, stylized initial "S".

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

---

JIM NORTON  
SUPERINTENDENT



150 Middle School Road  
Port St. Joe, FL 32456  
850-229-8256 • 850-639-2871  
Fax: 850-229-6089

November 1, 2021

Ms. Sherrill F. Norman, CPA  
Auditor General State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Please find below responses to the Preliminary and Tentative Audit Findings and Recommendations for the Fiscal Year Ended June 30, 2021, for the Gulf County District School Board.

## Finding #1

**Response:** Site-based administrators will receive training annually in drill protocol and regulations, the importance of conducting routine drills, and the proper method of documenting drills. The drill documentation form will be modified in order to reflect only those drills conducted in a specific calendar month. This form will be due to the Director of School Safety by the twentieth of each month. If a principal neglects to submit the form on or before the twentieth, the Director of School Safety shall direct him/her to conduct the required drill(s) prior to the end of the month. Should a principal fail to conduct the required drill(s) by the end of the month, the Director of School Safety will conference with the principal, go to the school site & conduct the drill(s) in person, and report the matter to the Assistant Superintendent for Business and/or Superintendent.

## Finding #2

**Response:** Steps have been taken to reduce program deficit and promote self-sufficiency, such as:

- Program analysis to determine what items are being purchased
- Restructuring of menus to delete overpriced food items
- Decrease items on a la carte menu
- Increase prices of a la carte items to insure the program is self-sustaining
- Staff costs (reduce personnel as feasible)
- Policies are being developed that will establish a target fund balance and require financial decisions that require documentation of program operating losses.
- Continuous analysis of cost and income to insure progress toward goals

---

[www.gulf.k12.fl.us](http://www.gulf.k12.fl.us)

Denny McGlon  
District 1

Brooke Wooten  
District 2

Cindy Belin  
District 3

Marvin Davis  
District 4

Ruby Knox  
District 5

- *Implement steps to promote student participation in the school food service program.*

Finding #3

**Response:** *The district will update administrator salary schedule to reflect Florida Statute.*

Finding #4

**Response:** *The district solicited proposals for Employee Health Insurance this year.*

Finding #5

**Response:** *When the current contract expires the district will solicit proposals for custodial services.*

Finding #6

**Response:** *This has been addressed and corrected with our IT department.*

Please contact my office if I may provide further information or assistance.

Most Sincerely,



Jim Norton  
Superintendent